Washington State Department of
Labor & Industries

2009 Annual Fraud Report to the Legislature

Targeting Fraud and Abuse

In Washington State's Workers' Compensation System

Executive Summary

The Department of Labor & Industries (L&I) is pleased to submit this *2009 Annual Fraud Report to the Legislature: Targeting Fraud and Abuse in Washington State's Workers' Compensation System.*

Fiscal Year 2009 (July 1, 2008, through June 30, 2009) saw another year of systematic, innovative, and sustained activity to detect and deter fraud and abuse by employers, workers, and health-care providers.

FY 2009 Return on Investment: $8 for every $1 spent.

Key developments included:

- New legislative enforcement tools and associated funding increases to help us combat the underground construction economy.
- Extensive enhancements to the new Field Audit (employer) computer system, improving our ability to focus audits on employers with problems in their premium-reporting, including potential fraud.

Our fraud-fighting activities produced measurable and substantial results:

- Collected $128.2 million (delinquent employer premiums, audit assessments, overpayments to workers, health-care and vocational providers, and fraud recovery orders).
- 65 percent of employers that we audited owed premiums. Employers were selected for audit based on a screening process.
- Assessed $25.4 million through employer audits. Of that total, $8.1 million was assessed against unregistered employers – companies that hired employees but failed to open a workers' compensation account.
- Identified 56 percent more overpayments and questionable billings from medical and vocational providers compared to the previous year.
- Referred 25 cases for criminal prosecution.

In FY 2009, we continued to extensively use fraud-fighting capabilities authorized by the Legislature in 2004. For example, we pursued premiums from 112 companies that closed and then reopened under a new name. These actions were made possible by the changes in the law governing successorship.

We also focused on educating prime contractors about their liability for unpaid workers' compensation premiums generated by sub-contractors.

Fighting Fraud

Fairness and Financial Integrity

Fighting fraud in the workers' compensation system is about fairness. By preventing abuse of the workers' compensation system, we help keep the system healthy for the 165,000 employers and 2.4 million workers it covers. Our mission protects the economic vitality of Washington State.

In Washington State, the Department of Labor & Industries (L&I) administers the state-operated workers' compensation system. This "State Fund" provides workers with wage-replacement and medical benefits to offset the financial impact of a job-related injury or occupational disease. This no-fault insurance protects employers from lawsuits when work-related injuries or diseases occur. Premiums paid by employers and workers, plus investment earnings, finance the State Fund.

Fraud prevention and detection is critical because cheating the workers' compensation system is NOT a victimless crime.

- All businesses and workers in an industry pay more if some employers in that industry underpay or don't pay at all.
- Under Washington law, workers injured on the job are guaranteed workers' compensation benefits even if their employers fail to pay premiums. Other businesses in the same "risk class" pick up the added cost.
- Honest contractors struggle under unfair competition. Construction contractors who underreport employee hours and don't pay the full premiums they owe can undercut honest contractors when bidding on a job.
- Workers who scam the system hurt their co-workers as well as their employers. Workers pay about 25 percent of workers' compensation premiums. Their payroll deduction as well as the rates employers pay go up when some workers collect benefits they are not entitled to receive.
- Providers who bill for services they didn't provide drive up medical costs. Inflated billings increase the rates of an individual employer, which the employer and his/her workers pay, and they increase medical costs overall.

We have heard the concerns of stakeholders who believe more should be done to reduce fraud, and we have acted on their concerns in our planning and budgeting processes. The following pages describe our fraud-fighting efforts and results.

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Key Developments in FY 2009

Background

In 2004, the Department of Labor & Industries (L&I) established its Fraud Prevention and Compliance Program, bringing together several separate programs, including Audit, Investigations, and Collections, to coordinate fraud-fighting efforts.

The new program built on past results. It also strengthened our ability to find and stop fraud by workers, employers and health-care providers. Major legislative changes have significantly improved our ability to go after individuals or companies that owed L&I money — prime contractor liability, successorship, corporate officer liability, and provider collection authority.

Combating the underground economy with new tools

Legislation passed in FY 2008 and implemented in FY 2009

- Added three staff to the FAIR contractor fraud team (Fraud, Audit, Infraction, and Revenue), doubling the size of the compliance group. Also added four auditors to employer audit staff.
- Launched a statewide campaign to warn homeowners about using unregistered contractors and encourage the public and legitimate contractors to report unregistered contractors. The first phases of the multi-year campaign relied primarily on radio messaging, supplemented by banners on radio station Web sites, and a small amount of outdoor and print advertising.

Legislation passed in FY 2009 and being implemented in FY 2010

- Required L&I to certify that industrial insurance premiums have been paid on public works projects over $35,000. Until this is certified, the final 5 percent of the contract amount can't be paid to the prime contractor.
- Required licensed construction contractors to maintain a list of their subcontractors with copies of their contractor registration available on site.
- Required L&I to educate employers on reporting issues for workers' compensation insurance, in particular on the difference between an exempt independent contractor and a covered worker.
- Authorized L&I to issue stop-work orders when contractors do not have industrial insurance coverage. A stop-work order requires the business to cease operations either at a jobsite if posted there or statewide if served on an employer.
- Continued the Underground Economy Task Force through this year and expanded it to industries other than construction.

Increase in protests a staffing challenge

L&I provides employers with a forum for resolving disputes about audit results through our Firm Appeals Program. In FY 2009, the program received 39 percent more audit-related protests than the year before. The increase in protests is attributable to the increase in the number of audits, better targeting of the audits — which results in a higher percentage where employers owe premiums — and the downturn in the economy.

In FY 2010, we are adding two full-time equivalent (FTE) positions to the dispute-resolution program. One new position comes from the new Stop-Work legislation and we are shifting the other position from another part of the Fraud Prevention program.

Payoffs from new audit technology

Our new computer systems are improving our ability to share and analyze data and to distribute and measure our work. During FY 2009 the department completed 949 streamlined employer audits — a mail-in process that saves time for employers. This was an increase of 44 percent over FY 2008. Total audits increased by 37 percent.

Progress on two other major projects

- **Detecting unregistered employers system.** Our feasibility study helped secure the funding for a new computer system focused on detecting unregistered and underreporting employers.
- **Identity resolution software.** We completed initial phases of identity resolution software. The new software will determine whether multiple records that appear to represent different entities are actually records for the same entity. We expect to be using this software by the end of FY 2009.

Major results

Return on investment compares the operating costs of the Fraud Prevention and Compliance Program to the money that is recovered, collected and avoided during the fiscal year.

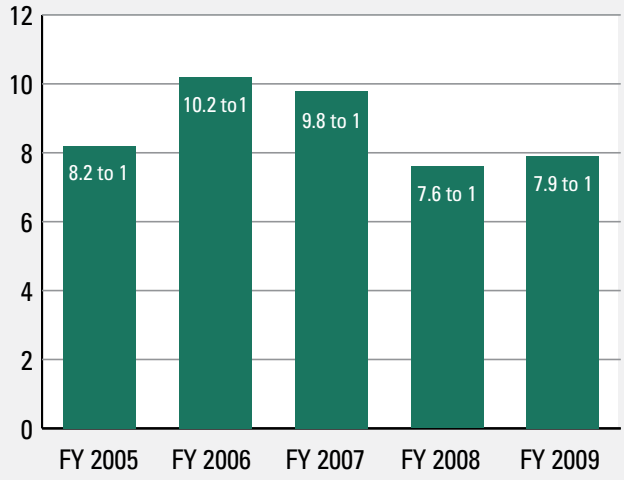
Operating costs include full-time equivalent (FTE) positions, benefits and capital outlays. For FY 2009, the program was supported by 248 FTEs. This figure includes the Fraud Prevention and Compliance staff — Detection and Tracking Unit, Employer Audit, Investigations, Collections, Provider Fraud, Significant Cases, Firm Appeals and program administration — and the Provider Review and Vocational Program Audit sections in the Insurance Services Division.

Return on investment for FY 2009

This year L&I's Fraud Prevention and Compliance Program brought in about $8 for every dollar invested, a slightly higher return than FY 2008.

The effects of the economic downturn were apparent in reduced collections in the first three quarters of FY 2009. During the fourth quarter of FY 2009, collections increased 15 percent over the previous quarters.

Return on Investment Ratios



Fraud-fighting Resources at Work

Most workers, employers and health-care professionals don't misuse the workers' compensation system. But some will act unethically or illegally for financial gain.

The financial integrity of the workers' compensation system depends on **employers** voluntarily and accurately reporting hours worked and paying the premiums they owe. Failure to identify and take prompt action against employers who cheat the system results in higher premiums for legitimate employers, and may encourage others to underreport hours, or report hours in an improper risk class with lower premium rates.

Worker fraud and abuse occurs when a **worker** knowingly applies for and/or receives benefits he or she is not entitled to receive. Examples are filing a claim when no work-related injury occurred, participating in activities that are inconsistent with the alleged injury, and working for one employer while receiving workers' compensation benefits from another.

Fraud and abuse by **health-care and vocational-services providers** includes inappropriate, costly and sometimes harmful treatments to injured workers, billing for more expensive services than actually provided and billing for treatment not provided.

The Department of Labor & Industries directs fraud-fighting resources to all of these areas.

Detection and Tracking Unit

Purpose: Prevent and detect fraud.

Staffing: 10 FTE

The Detection and Tracking Unit (DTU) uses a variety of tools including technology, cross-agency data sharing, and referral screening techniques to identify non-compliance and potentially fraudulent activities. This unit's activities also include:

- Identifying the valid prospects in the referrals received and sending them to appropriate sections or units, such as Employer Audit, Investigations, or Provider Fraud for action. In FY 2009, 65 percent of employers selected for audit owed premiums.
- Reviewing up to 2,000 claims a month that have been flagged as potentially fraudulent by comparisons of internal and external data.
- Tracking referral results to identify opportunities for process improvements and providing information for decision-making.
- Operating the fraud telephone hotline and web site (1-888-811-5974 or **www.fraud.Lni.wa.gov**).

The DTU also manages the Verify Workers' Comp Premium Status online search (**https://fortress.wa.gov/lni/crpsi/**). The system allows the public to determine whether a particular business has an active workers' compensation account and is in good standing on their premium payments. Users can sign up to be notified if a business falls out of compliance.

Outreach and education. The DTU staff works to build public awareness of our fraud-fighting activities and conducts training workshops covering prime contractor liability and how to determine whether a subcontractor is an exempt independent contractor or a covered worker. In FY 2009, the DTU presented five workshops.

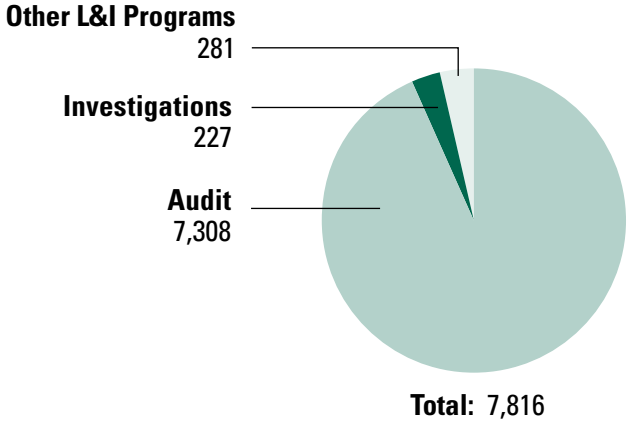
FAIR Team (Fraud, Audit, Infraction, and Revenue)

The DTU works closely with this field-based compliance team to apply pressure on the underground economy. In addition to conducting regular inspections, this six-FTE team works nights and weekends, searching for contractors and electricians that ignore registration and licensing laws.

During FY 2009, the team issued 200 infractions to unlicensed contractors. They also made 195 referrals to L&I revenue agents who collected over $1.1 million owed to the department.

In addition, the team made 436 referrals to the workers' compensation employer audit program resulting in additional collections totaling over $752,237. Much of their effectiveness is due to close cooperation with other L&I programs.*

Where Referrals Were Assigned in FY 2009



FAST FACT!

Nearly 80,000 people have registered with L&I to use the online search tool, *Verify Workers' Comp Premium Status* since it was created in 2004. There were 12,742 new registrations in FY 2009.

* Although some FAIR team activities are highlighted here, their work activities are dedicated more to contractor compliance than to fraud prevention. Our ROI numbers do not include the cost of their positions.

Employer Audit

Purpose: Identify unpaid employer premiums.

Staffing: 75 FTE

State Fund employers use quarterly reports to calculate and report the premiums they owe. Their "risk classifications" are based on the type of work performed by their employees and their claims experience. Both factors influence the premiums they pay.

We audit employers' business records to make sure employers report accurately and pay the premiums they owe. The audit function is a primary tool for determining where abusive or fraudulent behavior is taking place.

Improving efficiency

New auditing system

Over the last biennium, we have improved our auditing system significantly. Auditors now have more information available during the audit, saving time for businesses and the department. The new system also allows documents to be attached electronically to the audit file. The efficiencies in our new auditing system helped us to complete 37 percent more audits in FY 2009 over the previous year.

Alternative audit unit

Auditing smaller firms by mail rather than going to the employer's business location saves money and accomplishes our objectives with minimal disruption to the employer. We can also complete more audits while reducing the cost to the employer. Our goal is to provide education about how to comply with worker's compensation regulations and assist firms coming into compliance to control their costs. In 2009 the unit audited 949 firms through the mail-in program.

Proactive customer contact

A new program is aimed at instructing newer firms — those reporting for their first two quarters of operation — on reporting and recordkeeping rules. The reviews are educational only and will not result in any costs for the firms.

We conducted a pilot with 106 employer reviews. A follow-up survey showed that these firms had a better understanding of our recordkeeping requirements, risk classifications, and independent contractor regulations than firms that did not participate. Based on the success of the pilot, we are implementing the program in FY 2010.

FY 2009 Audit Results

Audits: Registered Businesses	Assessments	Audits: Unregistered Businesses*	Assessments	Total Audits	Total Assessments
5,114	$17.3 million	660	$8.1 million	5,774	$25.4 million

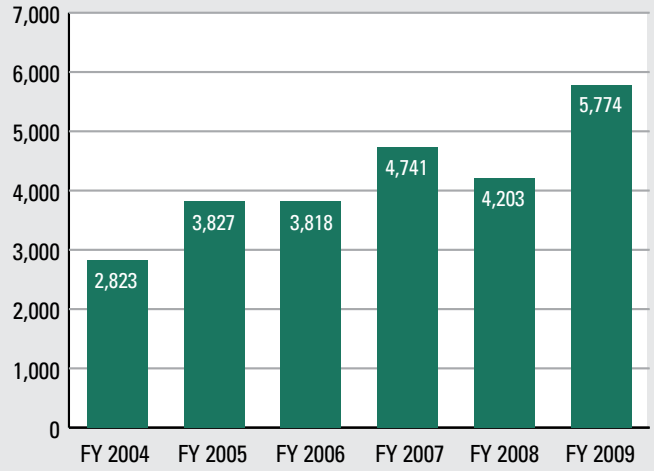
* An unregistered business is one that hires employees but fails to open a workers' compensation account.

Focus on educating industries

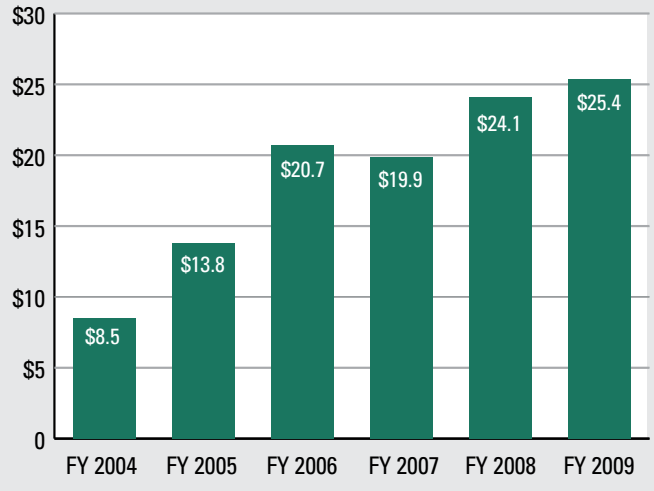
This is a new business model for us — we educate employers first, focusing on broad and voluntary compliance, then audit later. We are partnering with other agencies to identify industries with compliance issues or where rates are increasing rapidly. Then we team up with industry groups to conduct outreach directly with firms.

Employers in the selected industry have the opportunity to amend their reporting for four quarters and receive waiver of late penalties. If firms still appear to be out of compliance at the end of the education effort, we will follow up with audits.

Number of Completed Employer Audits



Millions of Dollars Assessed through Employer Audits



Case in Point —"Any Publicity Is Good Publicity" Not Always True

Criminal charges were filed against an excavation company owner in Benton County who had closed his account but continued to have employees. After an L&I staff member noticed a newspaper story about an individual who died while driving a dump truck, we found that the employer was unregistered. The owner pleaded guilty to attempted false reporting and agreed to repay $12,500 in premiums owed. The company now has an active L&I account and is paying premiums.

FAST FACT!

In FY 2009, L&I completed 37 percent more audits than during FY 2008.

Investigations

Purpose: Stop improper workers' compensation payments to workers.

Staffing: 60 FTE

This program investigates workers and employers for potential abuse of the workers' compensation system, with a primary focus on workers. Staff investigate the validity of claims and the activities of claimants who appear to be exceeding the physical limitations used to justify their benefits.

The program also fulfills requests for assistance from other agencies, including checking on business records and providing documentation and notification when claims have been stopped.

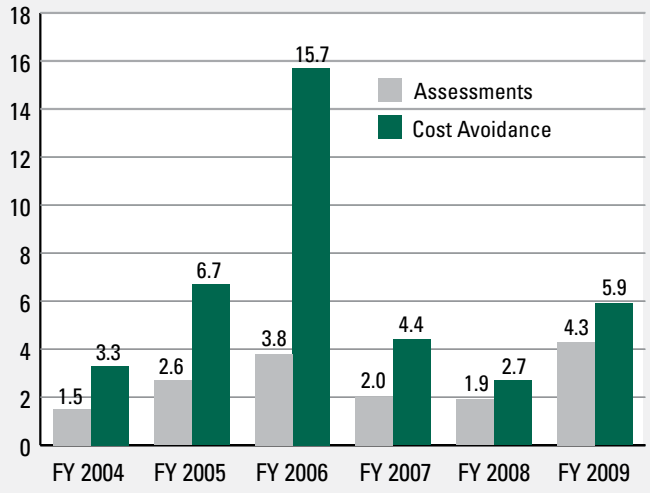
Efficiencies and outcomes

In FY 2009, assessments from investigations more than doubled compared to the previous year. The number of investigations increased by 15 percent and involved greater dollars. In FY 2009, cost avoidance more than doubled compared to the previous year. This increase correlates to the increase in dollars associated with the assessments.

Trends we are seeing

During this year L&I investigated large cases involving multiple filers who repeatedly filed claims in order to obtain drugs. For example, one individual filed 32 claims in a drug-seeking effort. Total case referrals were up 21 percent. If this trend continues we are concerned about our ability to meet the increased demand for investigative services.

Millions of Dollars Assessed and Costs Avoided from Investigations

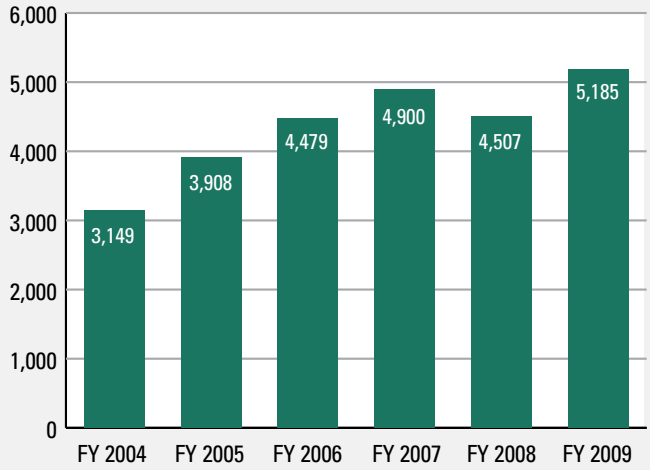


The information above does not capture the results of our employer discrimination investigations. We investigate allegations that an employer discriminated against an injured worker for filing a claim with the department or expressing the intent to file a claim. We also investigate allegations that an employer intentionally discouraged an injured worker from filing a claim with L&I.

FAST FACT!

As a result of investigations in FY 2009, L&I issued 143 fraud orders totaling $4.3 million.

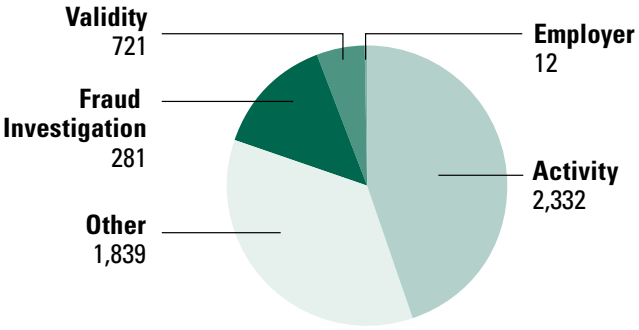
Investigations Completed — All Types



Case in Point —"Who's Your Daddy?"

A willful misrepresentation order was issued against a Snohomish County man who had been placed on pension. Based on an anonymous tip, an L&I investigation found that the pensioner had returned to work using his son's social security number. The man was sentenced to 4 months with work release and was ordered to pay the department $60,000 restitution.

FY 2009: Investigations Conducted by Type



Total: 5,185

FAST FACT!

Avoided costs due to investigations totaled $5.9 million in FY 2009.

Types of Investigations

Activity — Determine whether a claimant's actual activities match the reported physical limitations that justified the claim.

Employer — Help determine if an employer knowingly fails to report, misclassifies, or underreports worker hours to avoid paying premiums.

Fraud — Gather evidence to determine whether a claimant has received benefits through fraud or willful misrepresentation.

Other — Miscellaneous investigatory activities such as determining incarceration dates, verifying addresses, and verifying whether a claimant has died.

Validity — Help the claims adjudicator decide if a claim is allowable.

Provider Fraud and Abuse

Purpose: Ensure quality services to injured workers and stop improper payments to providers.

Staffing: 19 FTE*

***Staffing**
Health-care Reviews: 7 FTE
Vocational Audits: 7 FTE
Provider Fraud: 5 FTE

Labor & Industries paid out more than $625 million for health-care and vocational services in FY 2009. To ensure quality and prevent fraud, we constantly monitor and review the services and billing practices of health-care providers and vocational counselors. We also receive information about potential fraud from other providers and the public. In FY 2009, based on new efficiencies and new technology, these units were able to increase their identification of overpayments and questionable billings by over 56 percent compared to the previous year.

Provider overpayments and fraudulent billings may not always be recoverable, but the Fraud Prevention and Compliance Program is increasingly effective at uncovering billing issues earlier, thus preventing ongoing overpayments and possible fraud.**

The Provider Review and Education Unit performs quality-of-care reviews and billing audits of health-care providers. **The Vocational Audit Unit** carries out the same responsibilities for vocational-services providers. In FY 2009, these units' audits identified nearly $2.9 million in overpayments to providers.***

FY 2009 Provider Review Results

Type of Reviews	Completed Reviews	Assessments
Health-care	160	$2.7 million
Vocational	193	$0.2 million
Total	**353**	**$2.9 million**

The **Provider Fraud Unit** audits and investigates health-care and vocational providers suspected of criminal fraud. During FY 2009, the Provider Fraud Unit identified over $5 million in questionable billings and referred three cases for criminal prosecution.

If substantiated, the providers could be ordered to repay any monies received and charged over $7.6 million in penalties. In addition, by uncovering the fraud, L&I avoided paying an additional $2.5 million to the same providers over the following year.

FY 2009 Provider Fraud Results

Investigations Conducted	Questionable Billings	Possible Penalties	Costs Avoided
47	$5 million	$7.6 million	$2.5 million

Case in Point — "Lost in Translation"

Felony charges were filed in Yakima County against an interpreting business for first-degree theft and making false statements. L&I's investigation revealed billings of $1.1 million for interpreting not provided and fraudulent use of injured workers' claims numbers. Arrest warrants were issued for two individuals. They have left the area to avoid prosecution.

FAST FACT!

In FY 2009, the L&I units involved with provider reviews and provider fraud identified over $7.9 million in overpayments and questionable billings.

** Recoveries or collections for these units are included in the section on Collections.

*** Both the Provider Review and Education Unit and the Vocational Audit Unit are part of L&I's compliance and anti-fraud efforts, but they reside in L&I's Insurance Services Division.

Collections

Purpose: Collect monies that employers, workers and providers owe the workers' compensation system.

Staffing: 81 FTE

Monies owed to L&I include: delinquent employer premiums; audit assessments; overpayments to workers and to health-care and vocational providers; fraud recovery orders; penalties for safety citations or contractor infractions; and other penalties and fees. In this report, we focus on collections pertaining to workers' compensation.

The Collections program has the legal authority to assess penalties and interest and to recover monies through civil action. For example, we can file tax warrants in superior court and seize bank accounts, garnish wages and seize property. In addition, when there are unpaid premiums for work performed by contract, we may pass the debt to the person, firm, or corporation letting the contract.

Responding to the economic recession

The economy is taking its toll on the business community. Employers are struggling to keep pace with payroll, inventories, and taxes. In FY 2009 bankruptcies increased by 27 percent and contractor suspensions by 64 percent over FY 2008.

Employers with a good payment history are becoming delinquent. In the third quarter alone, we saw 6,155 employers come to collections who had not been in collections in the prior four-year period.

Changing our collections practices

To support struggling employers, we have changed the way we work with them regarding collections. For employers not in collections in the last four years, we are temporarily offering "90 days same as cash" options to pay premiums without any late penalties or interest. We offer the same plan to businesses owing less than $5,000.

We have instituted other temporary initiatives to address the recession, including:

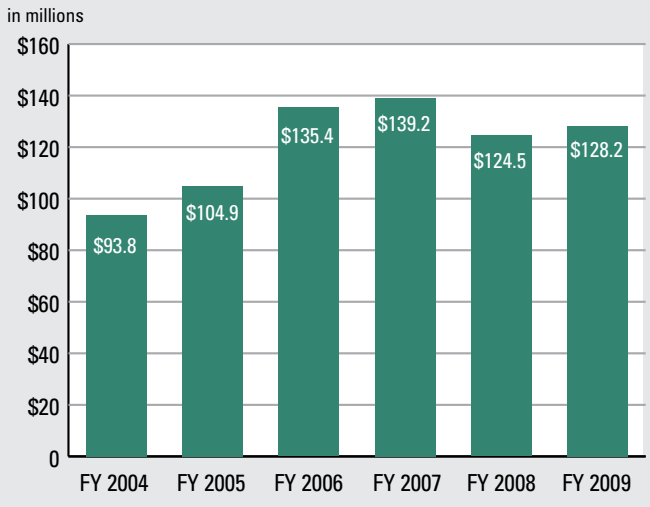
- Increasing the maximum length of a standard payment agreement from 12 to 18 months.
- Eliminating the requirement on businesses to submit full financial disclosure for a payment agreement of 18 months or less, while any payment agreement over 18 months will require approval.
- Offering to waive penalties and interest upon payment of the premiums owed — for businesses with revenue drops of 30 percent or more.

There were 5,716 active payment agreements at the end of FY 2009.

Improvements based on phone collections. As a result of significant changes to our phone collections unit, paid-in-full dollars increased by 67 percent. This decreased the dollar amounts that we transferred to regional staff, giving the revenue agents more time for difficult collections.

Improved forms being implemented in 2010. The Collections Plain Talk Project began rewriting our forms and letters in 2008 to make them easier to understand. Implementation of the project — automating the letters — had to be put on hold due to challenges with our computer system. In 2010, we will implement 25 improved documents.

Total Collections: July 1, 2003 through June 30, 2009



Dollars Collected in FY 2009

Action	What It Means	Amount Collected
Employer		
Premiums collected	Revenue Agents take action to collect unpaid premiums from employers, including delinquent amounts from misrepresentation of payrolls, successorship issues, corporate officer liability, revocations of certificate of coverage, and prime contractor liability.	$121 million
Health-care and Vocational Providers		
Overpayments collected *(fraud and other overpayments)*	Provider reviews identify and recover monies paid through inappropriate billings.	$843,591
Injured Workers		
Overpayments collected *(fraud and other overpayments)*	Revenue Agents take collection action to recover monies from injured workers who were overpaid and no longer entitled to benefits.	$6.4 million
	Total	**$128,243,591**

Other Results

Action	What It Means	Number of Actions Taken
Contractor registrations suspended	■ A contractor's registration can be suspended for failing to pay workers' comp premiums. Contractors who continue to work after being suspended are subject to fines under contractor registration laws. Anyone who hires an unregistered contractor can be held responsible for their unpaid workers' compensation premiums. ■ In FY 2009, L&I suspended 168 more registrations than in FY 2008.	465 registrations suspended
Revocations	■ If efforts to bring an employer into compliance fail, L&I may revoke that employer's Certificate of Coverage. It is a Class C felony to hire employees without that certificate.	26 Certificates of Coverage revoked

Significant Employer Cases

Purpose: Take action to stop blatant disregard of the law.

Staffing: 6 FTE

Significant Employer Cases (SEC) is a statewide program created to address the most flagrant employer abuses of Industrial Insurance. The program manager coordinates actions across all fraud prevention programs and the Attorney General's Office to successfully resolve cases, including civil and criminal remedies. The efforts of the Significant Employer Cases program resulted in revenue of $355,316 collected during FY 2009.

Case in Point — "Whitewashed"

The owner of a Spokane residential painting company pleaded guilty to two counts of third-degree theft, for underreporting — he had been reporting only two employees when he actually employed about 20. He served 30 days on electronic home monitoring and agreed to pay $212,000 to L&I for worker premiums and penalties. As part of the settlement, the owner agreed to an immediate payment of $55,000 and monthly payments for five years on the remaining balance. These actions sent a clear message to other contractors in the area that the department will aggressively pursue criminal action when dealing with egregious acts of non-compliance.

Criminal Prosecutions

Two Assistant Attorney Generals (AAG's) work closely with county prosecutors, supporting them in the development of criminal cases or acting as co-counsel, or — when they already have their hands full — prosecuting the cases from the Attorney General's Office (AGO).

In FY 2009, there were 25 cases referred for criminal prosecution. Charged cases that were resolved this year resulted in a 100 percentage conviction rate. The AGO also provided other important support, including advising on subpoenas, reviewing search warrants and helping obtain them, and training investigators.*

FY 2009 Cases Referred for Prosecution

Type	Number
Employer	4
Provider	3
Worker	18
Total	**25***

* Of the 25 cases referred for criminal prosecution in FY 2009, not all were SEC cases.

Progress from FY 2008

In the *2008 Annual Fraud Report to the Legislature*, we identified several specific objectives for Fiscal Year 2009.

Objective	Status
Respond to the state's economic downturn by changing the way we work with employers with regard to collections.	☑ Ongoing
Build on our improvements in worker-related collections by reassigning staff and triaging cases so that we concentrate on the newest and most promising ones.	☑ Complete
Add four new audit FTEs per the Underground Economy Task Force legislation.	☑ Complete
Work with L&I's Employer Services to identify industries with reporting issues and develop a proactive education campaign to help them get into compliance, prior to any audits or enforcement actions.	☑ Complete
Perfect our use of the new Field Audit Computer Technology (FACT) system and Referral Tracking System (RTS) to identify more cases of employer fraud and abuse.	☑ Complete
Prepare a budget package to implement a comprehensive system to detect unregistered employers and premium fraud in the 09–11 biennium.	☑ Complete
Continue our Plain Talk revisions to our collection documents so that our customers will understand their part in resolving their delinquencies with us.	☑ Ongoing
Participate in a joint legislative task force looking at the underground economy in construction.	☑ Ongoing

Next Year

The Department of Labor & Industries will continue to aggressively pursue fraud and abuse in the workers' compensation system.

Looking ahead, in FY 2010, the agency already has employed or will employ the following strategies:

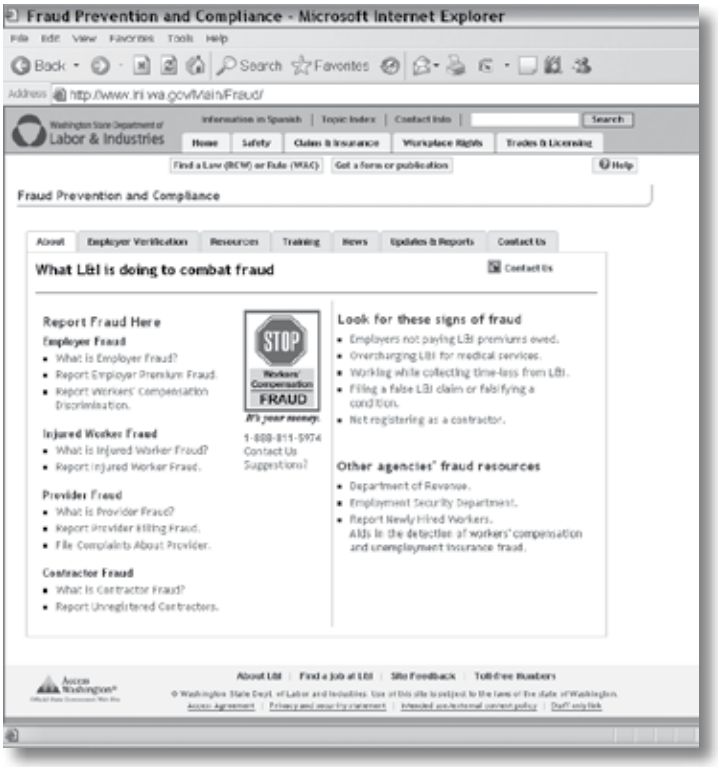
- Conclude implementation of identity resolution software.
- Implement legislation which establishes industrial insurance premiums as a priority on public works retainage and allows L&I to collect from that retainage.
- Develop a comprehensive computer system for detecting employer misreporting and fraud as well as unregistered employers, a strategy supported by the Underground Economy Task Force.
- Continue with the New Employer Review project aimed at instructing newer firms on reporting and recordkeeping rules. This project is focusing on construction, wholesale/retail delivery, trucking, logging, and janitorial industries and is educational only.
- Implement legislation authorizing L&I to issue stop-work orders to contractors that are non-compliant with industrial insurance coverage.
- Implement Claims Overpayment monthly statements to debtors.
- Begin using Collections' automated dialing system to contact injured workers and leave messages regarding debt owed to the department.
- Work in collaboration with the AGO to strengthen our ability to pursue employers that close one business and open another to avoid tax debt.
- Collaborate with Pierce College to develop and/or improve the Investigator Academy training and Field Training for investigators.

How to Report Fraud

The people of Washington State can help stop workers' comp fraud by reporting situations that may be fraudulent and letting others know how to report. These leads will help the Department of Labor & Industries track down and stop workers' comp fraud.

- Fraud reporting hotline at 1-888-811-5974.
- Fraud reporting Web site: **www.Fraud.Lni.wa.gov.**

Employers can help detect workers' comp **and** unemployment insurance fraud by reporting newly hired workers at **www.dshs.wa.gov/newhire/**.



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